

Exhibit 300 (BY2008)

PART ONE	
OVERVIEW	
1. Date of Submission:	2006-11-07
2. Agency:	015
3. Bureau:	45
4. Investment Name:	Individual Master File (IMF)
5. UPI:	015-45-01-14-01-2401-00
6. What kind of investment will this be in FY2008?	
Mixed Life Cycle	
7. What was the first budget year this investment was submitted to OMB?	
FY2001 or earlier	
8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.	
<p>IRS is responsible for collecting revenue from individuals order to fund the operations of the federal government. In order to effectively accomplish this goal, it must maintain authoritative data on individual taxpayers. The Individual Master File (IMF) is the authoritative data stores for taxpayers' accounts other than Business Filers. The IMF project maintains the IMF data. The Individual Master File contains the tax records of Individuals. Accounts are updated, taxes are assessed, and refunds are generated as required each tax filing period. Virtually all IRS information system applications and processes depend on output, directly or indirectly, from this data source. Thus, the IMF project is a critical component of IRS's ability to process tax returns, and must remain in operation. Corporate Data and System Management Domain has the primary responsibility for the IMF project, however, this investment also requires developmental support from a number of business areas at IRS, and the costs of these services are included as part of this Exhibit. These services include Product Assurance (PA), since new and/or modified code for production should be tested, and IMF Document Specific in Filing Systems Division (FS), which provides computer processing for Individual Tax Returns, such as the Forms 1040 Individual Taxes.</p>	
9. Did the Agency's Executive/Investment Committee approve this request?	
yes	
9.a. If "yes," what was the date of this approval?	
2006-08-09	
10. Did the Project Manager review this Exhibit?	
yes	
11. Project Manager Name:	
Riegger, Joan S.	
Project Manager Phone:	
202-283-3506	
Project Manager Email:	
Joan.S.Riegger@irs.gov	
12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.	
no	
12.a. Will this investment include electronic assets (including computers)?	
no	
13. Does this investment support one of the PMA initiatives?	
no	
14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?	
yes	
14.a. If yes, does this investment address a weakness found during the PART review?	

no	
14.b. If yes, what is the name of the PART program assessed by OMB's Program Assessment Rating Tool?	
Internal Revenue Service Submission Processing	
14.c. If yes, what PART rating did it receive?	
Moderately Effective	
15. Is this investment for information technology (See section 53 for definition)?	
yes	
16. What is the level of the IT Project (per CIO Council's PM Guidance)?	
Level 3	
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)	
(1) Project manager has been validated as qualified for this investment	
18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?	
yes	
19. Is this a financial management system?	
no	
19.a. If yes, does this investment address a FFMIA compliance area?	
no	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	
Hardware	0
Software	0
Services	99
Other	1
21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?	
n/a	
22. Contact information of individual responsible for privacy related questions.	
Name	
Susan Dennis	
Phone Number	
202-927-5170	
Title	
Program Analyst	
Email	
privacy@irs.gov	
23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?	
yes	
SUMMARY OF SPEND	
1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.	
All amounts represent Budget Authority	
(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)	

	PY-1 & Earlier	PY	CY
	-2005	2006	2007
Planning Budgetary Resources	0.000	0.000	0.000
Acquisition Budgetary Resources	0.000	0.000	0.000
Maintenance Budgetary Resources	9.471	2.163	2.534
Government FTE Cost	24.914	10.564	10.069
# of FTEs	265	104	104

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

Agencies must use Table 1 below for reporting performance goals and measures for all non-IT investments and for existing IT investments that were initiated prior to FY 2005. The table can be extended to include measures for years beyond FY 2006.

Table 1

	Fiscal Year	Strategic Goal(s) Supported	Performance Measure	Actual/baseline (from Previous Year)	Planned Performance Metric (Target)	Performance Metric Results (Actual)
1	2003	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively. IRS Strategic Goal - Improve Taxpayer Service - Simplify the Tax Process.	Taxpayer refunds issued within 40 days (98.4%) according to the IRS Data Dictionary for Performance Plans.	98.2%	Timeliness measured by sampling taxpayers receiving refunds for a review. Timeliness measured on a monthly basis. Measurement data is provided by W&I and SB/SE in the Submission Processing Measures Analysis and Reporting Tool (SMART) database.	98.8%, as of 09/30/2003.
2	2003	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively. IRS Strategic Goal - Improve Taxpayer Service - Simplify the Tax Process.	Interest Paid on taxpayer refunds (no more than \$68.19 per \$1M refunded) according to the IRS Data Dictionary for Performance Plans.	\$68.19	Interest paid is determined using total refunds issued and interest paid in original settlement cycle. Interest paid is reported on a monthly basis. Measurement data is provided by W&I and SB/SE in the SMART database.	\$36.29 interest paid per \$1M refunded, as of 09/30/2003.

3	2003	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively. IRS Strategic Goal - Improve Taxpayer Service - Simplify the Tax Process.	Refund Errors per refunds issued. (7.6%) according to the IRS Data Dictionary for the Performance Plans.	7.6%	Refund error rate is determined by comparing a sample of refunds issued on the Form 1040 and reported monthly. Measurement data is provided by W&I and SB/SE in the SMART database.	5.3%, as of 9/30/2003.
4	2004	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively. IRS Strategic Goal - Improve Taxpayer Service - Simplify the Tax Process.	Taxpayer refunds issued within 40 days (98.4%). Goal set by W&I.	98.8%	Refund Timeliness defined in FY 2003.	98.9%, as of 9/30/2004.
5	2004	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively. IRS Strategic Goal - Improve Taxpayer Service - Simplify the Tax Process.	Interest Paid on taxpayer refunds (no more than \$66.00 per \$1M refunded). Goal set by W&I.	\$36.29	Refund Interest Paid defined in FY 2003.	\$29.67 interest paid per \$1M refunded, as of 9/30/2004.
6	2004	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively. IRS Strategic Goal - Improve Taxpayer Service - Simplify the Tax Process.	Refund Errors per refunds issued. (5.3%). Goal set by W&I.	5.3%	Refund Error Rate defined in FY 2003.	6.0% refunds issued contained errors in, as of 9/30/2004.
7	2005	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively. IRS Strategic Goal - Improve Taxpayer Service - Simplify the Tax Process.	Taxpayer refunds issued within 40 days (98.4%). Goal set by W&I.	98.9%	Refund Timeliness defined in FY 2003.	99.3% thru 06/30/2005, as reported 8/11/2005.
8	2005	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively. IRS Strategic Goal - Improve	Interest Paid on taxpayer refunds (no more than \$19.00 per \$1M refunded). Goal set by W&I.	\$29.67	Refund Interest Paid defined in FY 2003.	\$25.24 interest paid per \$1M refunded thru 6/30/2005, as reported 08/11/2005.

		Taxpayer Service - Simplify the Tax Process.				
9	2005	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively, IRS Strategic Goal - Improve Taxpayer Service - Simplify the Tax Process.	Refund Errors per refunds issued. (4.8%)	6.0%	Refund Error Rate defined in FY 2003.	5.0% refunds issued contained errors in, as of 11/4/2005.
10	2006	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively, IRS Strategic Goal - Improve Taxpayer Service - Simplify the Tax Process.	Taxpayer refunds issued within 40 days. (98.4%)	99.2%	Refund Timeliness defined in FY 2003.	99.3% thru 09/30/2006, as reported 10/24/2006.
11	2006	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively, IRS Strategic Goal - Improve Taxpayer Service - Simplify the Tax Process.	Interest Paid on taxpayer refunds (no more than \$19.00 per \$1M refunded).	\$32.00	Refund Interest Paid defined in FY 2003.	\$30.12 interest paid per \$1M refunded thru 9/30/2006, as reported 10/24/2006.
12	2006	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively, IRS Strategic Goal - Improve Taxpayer Service - Simplify the Tax Process.	Refund Errors per refunds issued. (4.6%)	4.8%	Refund Error Rate defined in FY 2003.	4.5% refunds issued contained errors in, as of 9/30/2006.
13	2007	Strategic Goal listed in FY 2003	Taxpayer refunds issued within 40 days. (98.4%)	-	Refund Timeliness defined in FY 2003.	-
14	2007	Strategic Goal listed in FY 2003	Interest Paid on taxpayer refunds (no more than \$19.00 per \$1M refunded).	-	Refund Interest Paid defined in FY 2003.	-
15	2007	Strategic Goal listed in FY 2003	Refund Errors per refunds issued. (4.4%)	-	Refund Error Rate defined in FY 2003.	-

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all

Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov.

Table 2

Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
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EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

Individual Master File (IMF)

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	Data Exchange	All other IRS system applications that process individual master file data depend on output, directly or indirectly from this data source. Additionally, due to the central importance that the IMF plays in the processing of business taxpayer returns, it also exchanges data with external trading partners that have the need and the authority to obtain the data.	Data Management	Data Exchange			No Reuse	20

2	Loading and Archiving	Data is received into IMF through a single interface from all of IRS input systems. It is loaded using customized Assembly Language Code (ALC) runs. When inactive data is moved to a retention register, customized ALC runs are used.	Data Management	Loading and Archiving			No Reuse	80
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4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Data Exchange	Component Framework	Data Management	Reporting and Analysis	Custom Code
2	Data Exchange	Component Framework	Security	Supporting Security Services	IBM RACF
3	Data Exchange	Service Access and Delivery	Access Channels	Other Electronic Channels	Custom Code
4	Loading and Archiving	Service Access and Delivery	Service Transport	Service Transport	Custom Code
5	Loading and Archiving	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	CA AllFusion Endeavor
6	Loading and Archiving	Service Platform and Infrastructure	Software Engineering	Test Management	CA AllFusion Endeavor
7	Loading and Archiving	Service Interface and Integration	Interface	Service Description / Interface	Custom Code
8	Data Exchange	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	CA AllFusion Endeavor
9	Data Exchange	Service Platform and Infrastructure	Software Engineering	Test Management	CA AllFusion Endeavor
10	Loading and Archiving	Component Framework	Security	Supporting Security Services	IBM RACF

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

5.a. If yes, please describe.

No.

6. Does this investment provide the public with access to a government automated information system?

no

PART TWO

RISK
<i>You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.</i>
<i>Answer the following questions to describe how you are managing investment risks.</i>
<i>1. Does the investment have a Risk Management Plan?</i>
yes
<i>1.a. If yes, what is the date of the plan?</i>
2006-10-20
<i>1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?</i>
yes
<i>1.c. If yes, describe any significant changes:</i>
The organization name and organizational symbols changed and this is reflected in the Risk Management Plan.
<i>3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule: (O&M investments do NOT need to answer.)</i>
Each year, the IMF project routinely receives more change requests than the budget permits the project to approve. In this case, as the Life Cycle risk assessment indicates, the project prioritizes work and reduces expenditures wherever possible (training and travel, etc.). If necessary, we will request additional funding through the E300 process.
COST & SCHEDULE
<i>Does the earned value management system meet the criteria in ANSI/EIA Standard 748?</i>
no
<i>What costs are included in the reported Cost/Schedule Performance information?</i>
Contractor and Government
<i>2.e. As of date:</i>
2006-09-30
<i>7.b. If yes, explain the variance.</i>
FY 2006 DPS Services has not be obligated yet.
<i>7.c. If yes, what corrective actions are being taken?</i>
The organizations represented in this Exhibit 300 manage within the budget allocations assigned by Business Systems Division (BSD)/Financial Management Services (FMS) and the approved staffing levels. DP Services budget will be obligated in either the 3rd or 4th quarter. The Guidance for Steady State projects is even (25%) spending per quarter. Our actual spending plan for Data Processing Services funding is for the 4th Quarter. Although the investment is within 10 % variance, Milestone 1 and Milestone 3 in the EVM Metrics by Milestone show cost variations outside the norm because funds were transferred to another project, Notice Conversion, to fund its needs. This was a one time occurrence and there is not need for corrective actions.
<i>8. Have any significant changes been made to the baseline during the past fiscal year?</i>
yes